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AFMS Group

14 Apr 04

1300-1420

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AFMS Group Agenda

- **Approval of Minutes** — **1 Min**
- **Other Procurement – Mr. Baker / Lt Col Kras** — **30 Min**
- **FY05 FinPlan – Lt Col Tenney** — **30 Min**
- **Open Discussion** — **15 Min**

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Minutes Approval

- 31 Mar and 7 Apr 04 AFMS Group Minutes – Approved?
- Archives of AFMS Corporate Structure minutes can be found at:
  - O:\SG_Common\AFMS Corporate Structure

    - or –
  - https://kx.afms.mil/afmsengineroom

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AFMS PY06-11 OP Program POM Build

Mr Baker & Lt Col Kras

14 Apr 2004

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AFMS Other Procurement (OP) Program Requirements & Funding

- **Purpose: Deliver consolidated POM 06-11 requirements and program lay-down for AFMS Other Procurement (Investment Equipment)**
  - **Classification: Unclassified**
  - **Type: Decisional**
  - **Length of Briefing: 30 minutes**
  - **Briefers:**
    - **Mr Baker, AFMSA/SGSL**
    - **Lt Col Kras, AFMSA/SGRI**

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Overview

- What's at Risk
- Issue/Problem Definition
- Background
- Process & Timeline
- OP Program Specifics (RAPIDS)
- OP Program Requirement Summary
- Recommendation

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What's At Risk

- **FY04-05 OP funding short by $31.2M in the following baseline/ongoing investment programs, creating a "bow-wave" for resolution in outyears**
  - Picture Archive Communication Systems short by $7.5M
  - MSIM (Network Upgrade/Replacement) short by $8.2M
  - Combat Information Transport System is short by $15.5M

- **Current PB funded baseline is insufficient to address the following new high-interest initiatives**
  - Telephony implementation - $38.7M
  - Digital Mammography implementation - $25M
  - Magnetic Resonance Imaging modernization (to 3 TESLA) - $15M
  - SGROCC validated initiatives requiring OP funds - $123M

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Issue/Problem Definition

- Ongoing programs exceed FY04/05 funds – POM “bow-wave”
- Current baseline is insufficient to support mission driven new starts
- Deliberate, recurring modernization not achievable with baseline
- Tech refresh impact of new acquisitions isn’t accounted for
- Can’t handle unforeseen requirements (the next “telephony”)
- Cannot accommodate schedule accelerations driven by mission

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Background

- Two program elements for DHP Other Procurement
  - 807720 Items supporting MILCON projects at least $250K ea
  - 807721 Replacement, modernization, developmental items $250K ea
- AFMS Programs currently funded with OP
  - Initial Outfitting (LANs & Med Equip)
  - Medical Equipment
  - Picture Archive Communications Systems (PACS)
  - Network Consolidation (CITS MITT LM)
  - Local Area Network (Cable Plants and Electronics) [MSIM]
- PL107-248 changed threshold from $100K to $250K
- PBD 041 cut FY04 appropriation by 5% ($2.355M)

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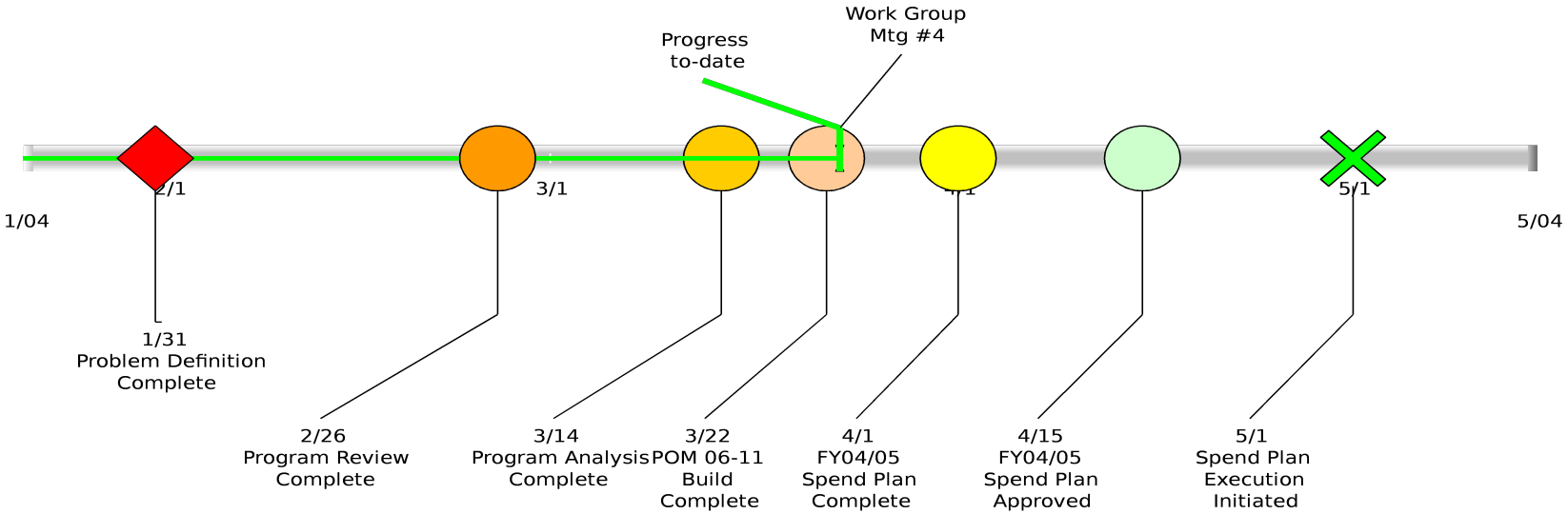
Timeline & Process



POM 06-11 Build Process

ID constraint & issues | Address shortf / bow-waves | Id Total Rqmts Pgm for Consiste Streams | Address New AQ | Develop Wedge

Spend Plan Build Process

Define Value & Risk Concepts | Build V&R Assessment Tools | Assess V&R | Analyze V&R Results | Prepare Spend Plan | Gain Approval

AFMS OP Review Work Group

Tuesday, March 23, 2004

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AFMS PY06-11 OP Program Reqmts & Funding profile

Air Force Medical Service - POM 06-11 Other Procurement Program							
Synopsis	FY06	FY07	FY08	FY09	FY10	FY11	FY06-11
Total Funded Baseline	79.8	79.1	77.7	66.8	67.7	68.6	439.8
Total Adjustment	19.9	20.5	21.9	32.9	32.0	31.1	158.4
Total Requirement	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**598.1**

* Total adjustment assumes internal reprogramming of trade-space between OP line items (see RAPIDS) and provides level funding stream

AFMS Other Procurement Program

BACKGROUND:
Current program provides for medical equipment initial outfitting, sustainment, replenishment and replacement, medical network replacement, upgrade and initial outfitting, sustainment of installed equipment base, implementation of Picture Archive Communications Systems

ADJUSTMENT: Needed to support policy compliance (CITS), telephony implementation, provide for deliberate annual stable funding line within the Modernization ToA to accomplish modernization of business functions requiring high-dollar value investments, sustain the equipment purchased through new modernization, address telephony implementation, nor provide required flexibility to meet unforeseen and unanticipated requirements and preclude the option of accelerating programs to meet mission needs.

$M04A1P101AY	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
CURRENT PRG			$ 79.8	$ 79.1	$ 77.7	$ 66.8	$ 67.7	$ 68.6
ADJUSTMENT			*$ 19.9*	*$ 20.5*	*$ 21.9*	*$ 32.9*	*$ 32.0*	*$ 31.1*
REV PGM			**$ 99.7**	**$ 99.7**	**$ 99.7**	**$ 99.7**	**$ 99.7**	**$ 99.7**
TOTAL								

PROCUREMENT	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09

MPWR	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09

IMPACTS:

-Without this funding adjustment, the AFMS will be unable to modernize business functions requiring high-dollar value investments

- OP required for over-threshold COTS purchases and transitions of initiatives from RDT&E to acquisition/fielding

-The OP funding line for new acquisition must be renewable annually and stable to support deliberate modernization

- There is insufficient funding within the OP funded program baseline to support a deliberate process of new acquisition without significant negative impact on our collective ability to sustain, maintain and replenish our current AFMS installed equipment base

Medical Information Technology Transition – Last Mile
CITS/MITT-LM Program

BACKGROUND:

This UNDERFUNDED program provides for the program management, engineering, design, and installation of AF CITS (Combat Information Transport System) generated last mile design. Provides for the standard architecture to connect AF medical data networks to Base networks. Closes medical network backdoors. **Fulfills SECAF mandate**.

ADJUSTMENT:

Program received a lump sum funding for start-up and to provide a standard design and architecture at 18 test sites. Adjustment required to deploy the **AF IAC approved design** to the remainder of the AF and finish original sites.

FUNDING (Total):

	FY 2004 FY10	FY 2005 FY11	FY 2006	FY 2007	FY 2008	FY 2009
CURRENT PROGRAM	$ -	$ -	$ -	$ -	$ -	$ -
ADJUSTMENT	*$ 6.8*	*$ 8.7*	*$ -*	*$ -*	*$ -*	*$ -*
REVISED PGM TOTAL	**$ 6.8**	**$ 8.7**	**$ -**	**$ -**	**$ -**	**$ -**

Line Items	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11

MANPOWER	FY04	FY05	FY06	FY07	FY08	FY09	FY10

IMPACTS:

- Medical data network backdoors will not be closed
- CHCS II long haul network circuits/VPNS will not be supported by AF
- Dedicated medical network electronics will not be installed
- Last mile design will not be implemented
- Effort to consolidate medics under “One AF – One Network” delayed

Telephony Upgrade & Modernization (TELMOD)

BACKGROUND:

Unfunded Program to address MTFs, GAO, IGCE identified telephony #1 patient complaint to access and method to make appointment. MTF Call abandonment rate 22-36 % (civilian <2%). Appointing: make or break service for day to day MTF business; entry point to product lines. Upgrades required to position MTFs for success under T-NEX.

ADJUSTMENT:

Purchase telephony equipment (switches and automated call directors) IAW approved, prioritized deployment plan/schedule, in support of TNEX implementation.

$M 04A1P101AY	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
CURRENT PRG			$ -	$ -	$ -	$ -	$ -	$ -
ADJUSTMENT			*$ 8.2*	*$ 8.2*	*$ 8.2*	*$ 4.7*	*$ 4.7*	*$ 4.7*
REV PGM			**$ 8.2**	**$ 8.2**	**$ 8.2**	**$ 4.7**	**$ 4.7**	**$ 4.7**
TOTAL								

IMPACTS:

- Every MTF prioritized by standardized, modular, upgradeable capabilities package
- Vital to meet MHS telephone access standards; improve patients' ease of making appointments by phone
- If not funded: Continued patient frustration with telephone appointing; no standardized MHS telephony metrics; impaired access to the Direct Care system; risk loss of enrollees to network, increased PSC costs

AFMS PACS / Teleradiology Program

BACKGROUND:

Radiologist staffing is expected to reach 50% in CY05. To complement AFMSA's digitization initiative (wet film to digital), AMC/SG sponsored an IPT that developed a comprehensive plan for AFMS Diagnostic Imaging (DI).

ADJUSTMENT: Required to address the bow-wave from FY05, finish the program as originally planned in FY06, a become trading space contributing to the other line item increases needed within the total AFMS OP program.

FUNDING ($M):

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
PEC			$ 10.0	$ 8.0	$ 8.0	$ 8.0	$ 8.0	$ 8.0
URRENT PRG			$ -	$ (1.2)	$ (8.0)	$ (8.0)	$ (8.0)	$ (8.0)
DJUSTMENT								
REV PGM			$ 10.0	$ 6.8	$ -	$ -	$ -	$ -
TOTAL								

MANPOWER	FY04	FY05	FY06	FY07	FY08	FY09
OFFICER						
ENLISTED						
CIVILIAN						

IMPACTS:

- Execution of PACS/Teleradiology initiatives is absolutely vital to the survival of AFMS radiology services.
- PACS/TR will prevent radiology workload at 48 MTFs from being sent on the local economy or from hiring on-site contract radiologists to support each MTF losing radiologists (possible 40 radiologists @ $300K each).

New Capabilities (SGROCC Validated Reqmts)

BACKGROUND:
More than 62 initiatives have been validated at the SGROCC. Needs assessments have been performed on each of these. This is the basis for appropriation allocation of the MMP ToA, and establishes the need for $25M per year beginning in FY06. Given the ToA based constraint, more than $35M worth of initiatives requiring OP cannot be addressed in the current POM cycle. Finally, two new initiatives were just validated worth over $40M in OP funds (Digital Mammography and 3-TESLA MRIs.

ADJUSTMENT:

Required to provide a stable funding base for strategic and deliberate modernization of the AFMS, permitting

Validated initiatives that require OP funds for acquisition (threshold reqmts) to be acquired

Send attached:

$M 04A1P101AY	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
CURRENT PRG			$ -	$ -	$ -	$ -	$ -	$ -
ADJUSTMENT			$ -	$ 15.0	$ 21.8	$ 22.5	$ 23.3	$ 24.0
REV PGM								
TOTAL			$ -	$ 15.0	$ 21.8	$ 22.5	$ 23.3	$ 24.0

PROCUREMENT	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09

IMPACTS:

-Without this funding adjustment, the AFMS will be unable to modernize business functions requiring high-dollar value investments

-This funding line must be renewable annually to support deliberate modernization

- There is insufficient funding within the OP funded program baseline to support a deliberate process of new acquisition without significant negative impact on our collective ability to sustain, maintain and replenish our current AFMS installed equipment base

- Failure to fund this program (with the increase needed that cannot be obtained from within the OP funding trade space will result in the inability to complete more than $80M in validated SGROCC initiatives during this program cycle that have been identified in only the first 10 months of SGROCC operation (4 meetings)

Medical Systems Infrastructure Modernization (MSIM) Program

BACKGROUND:

Provides for the materiel (cable and electronics) and labor to install Local Area Network Infrastructure to AFMS facilities. Includes initial outfitting for Military Construction projects.

ADJUSTMENT:

Adjustment accounts life-cycle replacement factors of cable plant and electronics; effect of regulatory requirements (e.g. cable plant removal); and economic inflation affecting labor and materiel across the program cycle

FUNDING (Total):

	FY 2004 FY10	FY 2005 FY11	FY 2006	FY 2007	FY 2008	FY 2009
CURRENT PROGRAM		$ 17.7	$ 18.0	$ 14.9	$ 15.2	$ 15.5	$ 15.7
ADJUSTMENT		*$ 9.8*	*$ 9.6*	*$ 8.5*	*$ 8.2*	*$ 8.0*	*$ 7.8*
REVISED PGM TOTAL		**$ 27.5**	**$ 27.5**	**$ 23.5**	**$ 23.5**	**$ 23.5**	**$ 23.5**

- Cannot sustain required network cable infrastructure refresh cycle (10 years) without adjustment
- Cannot sustain required network electronics refresh cycle at rate based on life-expectancy (4 years) without adjustment
-Cannot support the procurement of electronics for the MILCONs for affecting “Beneficial Occupancy Date”
- Failure to sustain infrastructure will increase the number of network failures and interrupt healthcare delivery

AFMS Medical Investment Equipment Program

BACKGROUND:

Medical Investment Equipment includes all equipment or systems over $250K. Due to a change in the procurement fund threshold, investment equipment between $100K-$250K is O&M. All equipment $250K and above is now procurement dollars.

ADJUSTMENT:

Adjustments reflect repositioning of the identified trading space, transfer of specific new initiatives to the Modernization OP line and leveling of the FY04-FY05 bow-wave and annual requirement for this program across the FYDP.

FUNDING ($M):

	FY 2004 FY10	FY 2005 FY11	FY 2006	FY 2007	FY 2008	FY 2009
CURRENT PROGRAM PGM		$ 52.1	$ 53.2	$ 54.8	$ 43.6	$ 44.2	$ 44.9
ADJUSTMENT		$ (6.5)	$ (6.8)	$ (22.2)	$ (6.2)	$ (5.6)	$ (4.7)
REVISED PGM TOTAL		**$ 45.6**	**$ 46.4**	**$ 32.6**	**$ 37.4**	**$ 38.6**	**$ 40.2**

IMPACTS:

-Funding ensures the AFMS can sustain the existing baseline of equipment and all recent and anticipated acquisitions through the deliberate modernization of business functions requiring high-dollar value investments

-Required to provide a stable funding base that will permit tech refresh, sustainment, replacement and maintenance based on the equipment replacement life-cycle and refresh rates for all equipment acquired through the deliberate and strategic modernization process.

Planned Capability Sustainment ThroughTechnology Insertion

BACKGROUND:
The routine replacement of medical investment equipment is planned through life cycle management of the existing inventory. Certain mainstream technologies continue to evolve and direct replacement with like systems is either not advisable or not possible. In many cases, economies of scale allow replacement of multiple systems with single items where possible. In some cases one for one replacement is required and initial capital outlay is greater than the original acquisition cost of the system being replaced. To ignore this known impact to the program jeopardizes the ability to effectively balance modernization and sustainment of the inventory.

ADJUSTMENT: Required because the baseline for ongoing funded OP programs in modernization and sustainment is insufficient to meet the mission demand based on known transitions from existing technology to new technologies that provide like capability. This funding line allows replacement of linear accelerators with Cyberknife technology, insertion of dedicated positron emission tomography (PET) systems in place of hybrid systems, direct radiography (DR) systems in place of analog/computed radiography systems, and radiofrequency identification systems in place of manual personnel intensive equipment tracking systems. The process normally involves replacement of one or two systems, which are evaluated for a short time, then mechanical replacement through attrition.

$M94A1P101AY	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
CURRENT PRG	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ADJUSTMENT	$ 1.5	$ -	$ 17.1	$ 11.9	$ 9.9	$ 7.2		
REV PGM	$ 1.5	$ -	$ 17.1	$ 11.9	$ 9.9	$ 7.2		
TOTAL								

IMPACTS:
-Without this funding adjustment, the AFMS will be unable to accomplish both deliberate modernization through planned/programmed initiatives and continued sustainment of current business functions requiring high-dollar value capital investments. Full funding of this requirement prevents severe negative impact on ongoing modernization programs and allows intelligent sustainment of the current AFMS installed equipment inventory.
- Replacement of existing inventory of linear accelerators ($2.5M each) with anticipated technology that will be standard of care (Cyberknife: Linac with robotic arm and image guidance software) will cost at least $1M more per system than current installed systems.
- Current capability exists to accomplish PET scans using hybrid gamma cameras/coincidence detectors. Replacement of these systems at life cycle does not eliminate the need for the gamma camera, but requires dedicated equipment at $3M per system.
- Current digital radiography is accomplished in most cases using analog x-ray systems and computed radiography systems convert the analog signal to a digital image. In many cases, economy of scale makes replacement systems with DR systems cost neutral, but one for one requires $200K-300K additional per

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AFMS PY06-11 OP Program Reqmts & Funding profile

AFMS Other Procurement Program								
Program	**Element**	**FY06**	**FY07**	**FY08**	**FY09**	**FY10**	**FY11**	**FY06-11**
CITS	Baseline	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Adjustments	*$ 6.8*	*$ 8.7*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 15.5*
	Total Requirement	**$ 6.8**	**$ 8.7**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 15.5**
Telephony	Baseline	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Adjustments	*$ 8.2*	*$ 8.2*	*$ 8.2*	*$ 4.7*	*$ 4.7*	*$ 4.7*	*$ 38.8*
	Total Requirement	**$ 8.2**	**$ 8.2**	**$ 8.2**	**$ 4.7**	**$ 4.7**	**$ 4.7**	**$ 38.8**
PACS	Baseline	$ 10.0	$ 8.0	$ 8.0	$ 8.0	$ 8.0	$ 8.0	$ 50.0
	Adjustments	*$ -*	*$ (1.2)*	*$ (8.0)*	*$ (8.0)*	*$ (8.0)*	*$ (8.0)*	*$ (33.2)*
	Total Requirement	**$ 10.0**	**$ 6.8**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 16.8**
New Modernization (SGROCC val, e.g. Digital Mammo, 3	Baseline	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Adjustments	*$ -*	*$ 16.8*	*$ 18.3*	*$ 22.5*	*$ 23.3*	*$ 24.0*	*$ 104.9*
	Total Requirement	**$ -**	**$ 16.8**	**$ 18.3**	**$ 22.5**	**$ 23.3**	**$ 24.0**	**$ 104.9**

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AFMS PY06-11 OP Program Reqmts & Funding profile.

AFMS Other Procurement Program								
Program	**Element**	**FY06**	**FY07**	**FY08**	**FY09**	**FY10**	**FY11**	**FY06-11**
MSIM (R-U-I)	Baseline	$ 17.7	$ 18.0	$ 14.9	$ 15.2	$ 15.5	$ 15.7	$ 97.0
	Adjustments	*$ 9.8*	*$ 9.6*	*$ 8.5*	*$ 8.2*	*$ 8.0*	*$ 7.8*	*$ 52.0*
	Total Requirement	**$ 27.5**	**$ 27.5**	**$ 23.5**	**$ 23.5**	**$ 23.5**	**$ 23.5**	**$ 149.0**
Med Equip (R-U-I) SRM	Baseline	$ 52.1	$ 53.2	$ 54.8	$ 43.6	$ 44.2	$ 44.9	$ 292.8
	Adjustments	*$ (6.5)*	*$ (6.8)*	*$ (22.2)*	*$ (6.5)*	*$ (6.0)*	*$ (4.7)*	*$ (52.6)*
	Total Requirement	**$ 45.6**	**$ 46.4**	**$ 32.6**	**$ 37.0**	**$ 38.3**	**$ 40.2**	**$ 240.2**
Planned Capability Sustainment thru Tech Insertion	Baseline	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Adjustments	*$ 1.5*	*$ -*	*$ 17.1*	*$ 11.9*	*$ 9.9*	*$ 7.2*	*$ 47.7*
	Total Requirement	**$ 1.5**	**$ -**	**$ 17.1**	**$ 11.9**	**$ 9.9**	**$ 7.2**	**$ 47.7**
Summary	Baseline	$ 79.8	$ 79.1	$ 77.7	$ 66.8	$ 67.7	$ 68.6	$ 439.8
	Adjustments	*$ 19.9*	*$ 20.5*	*$ 21.9*	*$ 32.9*	*$ 32.0*	*$ 31.1*	*$ 158.4*
	Total Requirement	**$ 99.7**	**$ 99.7**	**$ 99.7**	**$ 99.7**	**$ 99.7**	**$ 99.7**	**$ 598.1**

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Recommendation

- **Approve insertion of total OP funding requirement into AFMS Program Objective Memorandum submission**

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Questions?

- What's at Risk
- Issue/Problem Definition
- Background
- Process & Timeline
- OP Program Specifics (RAPIDS)
- OP Program Requirement Summary
- Recommendation

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FY05 FINPLAN Brief

AFMSA/SGSR

14 April 2004

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And So It Began…

- Received FY05 APOM file from SGMP
  - Divided by MAJCOM, PEC, EEIC, and RCCC
- PBD changes input to file by MAJCOM, PEC, EEIC, and RCCC to reflect inputs to FY05PB
- Constant interface w/SGMP to ensure flow between FY05 APOM and PB and FY06POM

Flow

- **FY05 APOM Ending Position**
  - **AFMS Total - $2.133B**
- **PBD Changes**
  - **PBD 041 DHP Offsets: (-$44.9)**
  - **PBD 422 Supply Management: (-$16.5)**
  - **PBD 623 Southwest Asia (SWA) CONOPS: (-$4.0)**
  - **PBD 606 Military and Civilian Pay: (-$3.7)**
  - **PBD 041 DHP: (+$85.8)**
  - **PBD 704 DHP Budget Change Proposals (BCPs): (+ $5.3)**
  - **PBD 730 Facilities Sustainment: (+$1.6)**
- **FY05 PB Final Position**
  - **AFMS Total – $2.045B**
  - **Must match FY05 PB in BAG/PEC Distributed**

Example of MAJCOM File

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Customer	AFMSA or MTF detail	PEC	EEIC	Cost Center	Description	FY05
ACC	CivPay	87700F	3XX	5662	FY05 PB baseline	$48.00
ACC	CivPay	87700F	3XX	5311	FY05 PB baseline	$195.00
ACC	CivPay	87700F	3XX	5361	FY05 PB baseline	$878.00
ACC	CivPay	87700F	3XX	5337	FY05 PB baseline	$48.00
ACC	CivPay	87700F	3XX	5245	FY05 PB baseline	$48.00
ACC	CivPay	87700F	3XX	5661	FY05 PB baseline	$48.00
ACC	CivPay	87700F	3XX	5177	FY05 PB baseline	$683.00
ACC	CivPay	87700F	3XX	5342	FY05 PB baseline	$48.00
ACC	CivPay	87700F	3XX	5725	FY05 PB baseline	$2,633.00

Customer	AFMSA or MTF detail	PEC	EEIC	Cost Center	Description	Special Resource Info	FY05
ACC	CivPay	87700F	3XX	5662	FY05 PB adjustment	PBD 606CivPay	($0.66)
ACC	CivPay	87700F	3XX	5311	FY05 PB adjustment	PBD 606CivPay	($2.67)
ACC	CivPay	87700F	3XX	5361	FY05 PB adjustment	PBD 606CivPay	($12.00)
ACC	CivPay	87700F	3XX	5337	FY05 PB adjustment	PBD 606CivPay	($0.66)
ACC	CivPay	87700F	3XX	5245	FY05 PB adjustment	PBD 606CivPay	($0.66)
ACC	CivPay	87700F	3XX	5661	FY05 PB adjustment	PBD 606CivPay	($0.66)
ACC	CivPay	87700F	3XX	5177	FY05 PB adjustment	PBD 606CivPay	($9.34)
ACC	CivPay	87700F	3XX	5342	FY05 PB adjustment	PBD 606CivPay	($0.66)
ACC	CivPay	87700F	3XX	5725	FY05 PB adjustment	PBD 606CivPay	($36.00)

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What's Next

- **Finish HQs Account FY05 distribution**
  - **To include Modernization portfolio**
  - **Restructure HQs OBANs**
- **Map RCCCs to Panels**
- **Carve $30M withhold for FY06 PBD actions which affects FY05**
- **Send to MAJCOMs for review/suggested changes**
  - **ROE: Equipment, SRM, and contracts requires SG2 approval**
  - **Request MAJCOM/SG feedback on ability to execute FY05**
  - **Estimated release to MAJCOMS: 21 April**
  - **MAJCOMs to be tasked to establish MTF Financial Plans**
  - **Return to AFMSA/SGSR 21 May**
  - **MMSO – Service Bill starting in FY05**
  - **FY05 UFRs**

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FY05 FINPLAN Brief
HQ/SG - OAC 43

DAVID A. CAIN, Capt, USAF, MSC

14 April 2004

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HQ Accounts Defined

- Sixteen financial accounts managed by SGSR analyst
- Operating Budget Account Number (OBAN)
  - 43XX = The HQ USAF/SG “MAJCOM”
- Each OBAN has a unique Fund Citation
- OBANs not serviced by same OPLOC/DFAS
- Budget Authority Groups allotted in funds management system by SGSR
- Each OBAN has an appointed “Resource Advisor”

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OAC 43 OBANS

- **HQ SG @ Bolling AFB**
  - 43G1 – SGRI
  - 43G2 – HQ SG/SGC/SGM/SGS
  - 43G3 – FOREIGN CURRENCY
  - 43G4 – SGO/SGP
  - 43G5 – SGR
- **MTF**
  - 43ME – Bolling (11MDG)

- **NON Bolling AFB OBANS**
  - 43A1 – Andrews (AFELM)
  - 43BI – Scott (GPMRC/TRAC2ES)
  - 43BJ – San Francisco (HFOWR)
  - 43EC – Brooks (AFMSA)
  - 43G6 – USAFA (CEMM)
  - 43GA – Atlanta (HFOER)
  - 43PA – USAFA (DoDMERB)
  - 43SG – Brooks (AFMOA/SGZZ)
- **AFMLO (AFMSA/SGS)**
  - 43WA – Ft Detrick (AFMLO)
  - 43FD – Kelly USA (AFMLO/FOW)
    - (Servicing DFAS drives)

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History…

- **HAF/SG (Bolling) OBAN issues**
  - **5 of 16 OBANS assigned to HQ/SG**
    - **2 OBANS within one 3 letter (SGR)**
- **One account – 4 RA's managing HQ funds**
- **No historical data/tested structure for HQ and AFMSA OBAN/RCCC/costs (actual) to map to 05**
  - **No RCCC managers within panels/sections**
  - **Historical OBAN baseline information does not validate expenditures/requirements from FY03 to FY05**
  - **Tracking pre-FY04 cost by panel difficult w/ reorg**
    - **One lost 43SG because of WB/OPLOC issue**

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FY 2004 Program Methodology

- **Revalidated FY 03 Expenses vs "requirements"**
  - **No organizational history**
- **Fund to FY 2003 Level of Effort**
  - **(FY03 Obs) – (1-Xs) + (Inflation) = FY04 Baseline**
  - **Same methodology applied for FY03 Baseline**
- **Equitable: Same rules applied to all**
- **Educate vs Audit**
- **Full Asset Visibility**

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Concerns

- **Resource Advisor experience @ some OBANs**
  - **Additional duty with little time for oversight**
  - **OAC manager interaction limited in the past**
  - **Management controls should be strengthened**
  - **Numerous HQ contracts**
  - **Excessive use of MIPRs**
- **No scheduled meeting/teleconference times to review OBANs Accounts**
- **No FWG/B held for HQ/SG Accounts**

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Current Actions Taken

- OAC 43 FY04 mid-year financial information by PEC/EEIC/RCCC to reflect FY05PB inputs by OBAN
- Interface w/ Michele Redd to work flow between FY05 APOM, PB, and FY06POM - ongoing
- Meeting conducted with HQ/SG (Bolling) to discuss OBAN/RCCC realignment – ongoing
- Preparing OBAN Continuity Binders
  - Working with RA's

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FY05: Baselined HAF/SG Accounts

- **"Zero-Based Budgeting" - Start with zero $**
- **Requirements-based build from 4 letter to 3 letter for both HAF/SG and AFMSA**
- **Contracts:**
  - **Funded specific (recurring) contracts only – no growth**
- **Improved controls on GPC and HQ TDYs**
- **Revisit Civ Pay across OAC 43**
- **Closely tracking execution against program**
  - **Monitor contract execution (requested all contracts)**
  - **Metrics (obligations vs expensed)**

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OAC 43 FINPLAN (Draft)

- Template TBD
- Goals
  - Each 4 letter prepares FINPLAN to 3 letter
  - 3 letters combine and submit 3 letter FINPLAN to SGSR
  - FINPLAN for 3 letters will be prepared above and below the line
- Time line
  - FINPLAN MFR to 3 letters NLT 23 April 2004
    - OPR Ms Todd/Capt Cain
  - Determine FY05 OBAN/RCCC structure
    - OPR – Capt Cain, Mr Talcovitz, MSgt Dorrian
  - FINPLAN due to SGSR TBD
  - FINPLAN due to SGY TBD

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What's Next

- **Restructure HQ OBANs as follows:**
  - **OBAN 43G2 HQ/SG Above the Line**
  - **OBAN 43G4 AFMSA (Below the Line)**
  - **OBAN 43G5 SGR (based 3 types of funding)**
    - **Track modernization portfolio**
  - **Eliminate 43G1 (SGRI) – SGRI maps programs to modernization or sustainment**
- **Map RCCCs to Panel/Section for FINPLAN**
- **Map "HQ MUST PAYS" (SGSR or maintain funds till payment)**
- **Send FINPLAN letter/guidance to OBANS**
  - **ROE: No decrement to equipment/SRM; no increase to contracts**
  - **SAF/SGY approves HQ/SG & AFMSA FINPLAN**
  - **Estimated release to OBAN RA's: 23 April**
  - **OBANS to be tasked to establish 3 and 4 letter FINPLANs**
  - **Return to AFMSA/SGSR NLT EOM May**

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HQ SG OBAN Requirements

- Identify OBANs
  - G2 – HQ SG, G4 – AFMSA, G5 – SGR
- Identify RCCC by OMG (Track above to below the line)
- Appoint RCCC Managers (3 letter chair)
- Train RCCC Managers (SGSR)
- PEM or 3 letter RCCC manager responsible for 3 letter accounts (HQ and AFMSA)
  - RCCC Managers fall under PEM/3 Letter RCCC manager
- GPC (2 for HQ/SG) (Minimum of 2 per 3 letter in AFMSA)
- Map personnel to 3 or 4 letter RCCC in travel manager
- ID OBAN/RCCC managers prior to development of FINPLAN
- Begin monthly internal RCCC FWG

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Budget Execution Shortfall Possible Options

Lt Col Tenney

14 April 2004

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Where We Stand

- **Present shortfall without remedies - ~47M**
  - **AFMS Go Broke – Approx 21 Sep**
- **Received 3rd Qrtr distribution from TMA 9 April**
  - **Decremented for PBD 041 (43M in Opt/AMP) and others**
- **TMA noted unobligated No-Year Optimization dollars at risk at MYR**
- **In 3rd qrtr distribution to MAJCOMS, withheld PCO and Gapfill funds (approx 17.6M)**
  - **These fit criteria for use of no-year Optimization funds**
  - **No funds withheld from HQ Accounts**
- **Approx 10.3M in uncommitted no year funds available to offset 17.6M payback**
  - **Must fit “Critical Medical Need” to be used**

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Use of No Year Optimization

- **Use portion of no-yr funds for remaining 100K-250K Equipment requirement**
- **Provide remaining balance to MAJCOMs to offset 17.6M pullback**
  - **MAJCOMs would decide which contracts are most important to maintain**
  - **Could use FY06 POM info to help decide**
- **Would decrease shortfall from 47M to 29.6M**

Snapshot of Position

After use of No Year dollars

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		IHC	PSC	CHS	IM/IT	MA	E&T	BOS	TOTALS	
Current Annual Program		1,241,664	99,341	170,362	102,217	7,162	88,583	259,979		1,969,308
Less Funds Distributed:										
ACC		186,588	11,094	6,883	6,624	1,290	1,228	22,937	236,644	
AETC		366,096	-	10,999	15,602	1,448	73,500	31,099	498,744	
AFMC		211,597	11,306	40,739	12,255	560	17,217	26,206	319,880	
AFPC		-	-	198	-	-	-	-	198	
AFRC		-	-	346	-	-	-	-	346	
ANG		-	-	488	-	-	-	-	488	
AFSOC		14,863	-	630	579	-	185	1,326	17,583	
AMC		231,222	24,481	45,026	7,323	1,034	1,446	33,102	343,634	
PACAF		54,391	405	3,094	3,509	488	721	12,675	75,283	
AFSPACE		85,819	-	1,319	1,346	511	179	7,669	96,843	
USAFA		30,042	10	1,151	1,363	-	30	2,219	34,815	
USAFE		51,944	2,700	2,801	4,948	862	483	13,176	76,914	
HAF		33,972	818	68,168	27,927	1,810	54	41,856	174,605	1,875,977
Less Must Pays:										
Accrual Fund Payments									-	
T-Nex									-	
Resource Sharing Conversions		2,736							2,736	
Appointing		2,930							2,930	
Referral Mgt		296							296	
Utilization Mgt		3,000							3,000	
Mult-Market		5,300							5,300	
Telephony		2,100							2,100	
Pharmacy		-							-	
VERA/VSIP		3,000							3,000	
AeroVac				10,000					10,000	
Foreign Currency Fluctuation		-							-	
GWOT (non-AE)		-		16,174					16,174	
T-Nex			47,423						47,423	
T-Now			827						827	
Supp Care			277						277	
Aircrew Spectacles				993					993	
Service Delivery Assessment		900							900	
Modernization Portfolio				6,280					6,280	
Modernization SCO swap				4,500					4,500	
Less Committed/Undistributed Balances:									-	
ADPE & IMIT					7,974				7,974	
Medical Equipment		3,200		-					3,200	
SCO swap w/AFMLO		(3,200)							(3,200)	
Facility Restoration & Modernization								7,734	7,734	
Readiness Exercises		-	-	519	-	-	-	-	519	
NDAA-Related Travel		-							-	
AF/SG Demo				-	-				-	
Uncommitted Funds		(45,132)	-	(49,946)	12,767	(841)	(6,460)	59,980	(29,632)	
	BAG	1	2	3	4	5	6	7		

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What's Next

- **Shortfall – Options**
  1. **Use No-Year Optimization funds for PCO/Gapfill requirements**
     - **Divide remaining deficit amongst MAJCOMs (to include HQ/SG)**
     - **Advise to use on late obligating service contracts first**
     - **If Opt/AMP reprogramming not approved by Congress, may receive up to 29M later in year**
       - Would use on Equipment / SRM / IMIT
  2. **Do Nothing**
     - **Establish Go-Broke Date**
     - **Hope Congress does not reprogram**
     - **Amount returned MAY bring us to 0**

Recommendation: Option 1

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Meeting Recap & Calendar

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- New Items
- Action Items
- Meeting Schedule:
  - POM Brief to SG: Fri., 16 Apr, 1400-1600
  - AFMS Group: Wed., 21 Apr, 1300-1530